

Economics of Innovation and Entrepreneurship (Economics 111.001)

Patrick Conway

300-F Gardner Hall

E-mail: patrick_conway@unc.edu

Office Hours: In person: 3:30 pm – 4:30 pm on Tuesday and Thursday in Gardner 300-F

Virtual: 1:30 pm – 2:30 pm on Monday and Wednesday via Zoom

SUMMARY

What's your big idea? Perhaps it is a navigation system for self-driving cars, or a website for sharing and selling the art projects that you have completed. Perhaps you have a new design for a running shoe, or a new plan for providing clean water to rural villages in Africa. I'm sure you have one; as Michael Tiemann says, "Every university student wants to change the world!" The change may be global, or very local, but it will be your idea. These big ideas, and yours, are quite different from one another. They do share one thing: it will take a successful entrepreneur to translate this big idea into a successful and sustainable initiative.

Entrepreneurs need a toolbox to succeed. In this course, we focus upon the many tools drawn from Economics. Entrepreneurs also learn better by practicing their skills. To that end, this course is built around six fascinating case studies of entrepreneurs who did (or unfortunately didn't) use economic principles to create transformational disruptions to existing businesses and markets. We will learn economics by studying choices made by Lyft, Netflix, Partners in Health, Adidas, Tesla and AIG and identifying the economics principles that those businesses recognized and exploited in their successes.

COURSE ORGANIZATION

We will meet two times a week (Tuesday and Thursday) at 2 pm – 3:15 pm in Gardner 08. Attendance will be taken, and excessive absences will result in a reduction in your course grade.

Course requirements:

You will be responsible for two midterm exams and one final exam; the schedule for these examinations will be provided on Sakai. There will be no make-up examinations given without an official university excuse. If you are unable to attend the midterm examinations and do not have an official excuse, the weight of that exam in your final grade will be transferred to your performance on the comprehensive final exam. Each midterm exam will be worth 20 percent of your grade, and the final will be worth 35 percent.

You will also be responsible for weekly assignments. Your grades on those eight assignments will be averaged into an assignment grade that will represent 20 percent of your grade. You will be allowed to drop the lowest grade of the eight. The assignment schedule is available in Sakai.

The final 5 percent of your grade will be awarded for two written "innovation memos". You will prepare these during the semester based upon videos or newspaper/magazine articles on economics topics. Your task in each memo is to relate the reading to the economic concepts that we cover in

class. You will summarize the key message of the reading in one paragraph, and in a second paragraph you will explain which economic concepts are illustrated in the message of the article.

The due date and time for submission of each assignment or innovation memo will be stated clearly one week ahead of time. Any submissions made after that time will receive a grade reduction for being late, and the grade reduction will rise with the number of days the assignment is late. The initial penalty (for those less than 24 hours late) will be 10 points out of 100.

Mask use and in-person classes:

Our course is designated as “In Person”. I intend to have in-person learning on each class date. There will be sufficient seating for all those registered, and so there will be no live-streaming participation.

University-excused, unofficially excused, and unexcused absences:

I will record attendance using the Check-in app (see below). If you are not in attendance, you will be recorded as absent. There are three categories of absence:

- University-excused – please see the preconditions for these excuses at <https://catalog.unc.edu/policies-procedures/attendance-grading-examination/>. Please note that I only recognize University-excused absences pre-certified by the University. Make sure that you apply for this certification prior to the absences.
- Unofficially excused – this is our COVID category. If you have symptoms of the virus, it is best for all if you stay home in bed. I will count this absence as unofficially excused if you notify me of your absence prior to class. Please remember that it will be an Honor Code violation to misrepresent your health status.
- Unexcused – this will be the characterization of all absences for which I receive no prior notification that it should be categorized as either University-excused or unofficially excused.

Excessive unexcused absences can affect your course grade. Please see the explanation below under “Grading”.

Student Resources:

Web site: Our web site within Sakai provides you a structure and outline for your weekly activities in this course. I will use the website to organize our discussion of the various “mods” of the course. I will also use that web site to communicate with you. When you are registered for the course, this web site should appear automatically once you log into Sakai. If it does not, please contact the ITS Help Desk by phone, electronically or in the basement of the Undergraduate Library.

Text: The text will be Timothy Taylor: Principles of Microeconomics, Textbook Media. The bookstore will have the 5th edition ordered. You are welcome to get the book online if you would like to save some money. Either electronic or print version is acceptable.

The course will be organized around modules (or “mods”) and each mod will include one

or more case studies of entrepreneurial innovation. Those case studies will be available in pdf form on the Sakai site. The text readings for each class are enumerated on the class schedule on the web site. Please complete the readings prior to the class indicated on the schedule.

Poll Everywhere: We will use Poll Everywhere in class to check our understanding of the concepts we use. Please be sure that you have registered with Poll Everywhere: find the steps to do so at <https://poll.unc.edu/>.

UNC Check-in: We will use the UNC Check-in app to record attendance. You can learn how to install the app on your laptop or mobile device at <https://checkin.unc.edu/>.

The UNC Honor Code

Our behavior (yours and mine) in this class is governed by the UNC Honor Code. If you do not yet understand your responsibilities under this code, I urge you to go to <http://honor.unc.edu> to learn more. I take our commitments under the Honor Code very seriously.

Grading

(1) Your **final grade** for the class will be a letter grade, with possibly a + or – attached. On case study assignments, midterms and final exam your grade will be in numeric form. Here is the concordance from one to the other:

	B+: 86.00 – 88.99	C+: 76.00 – 78.99	D+: 66.00 – 68.99
A: 92.00 to 100	B: 82.00 – 85.99	C: 72.00 – 75.99	D: 62.00 – 65.99
A-: 89.00 to 92.99	B-: 79.00 – 81.99	C-: 69.00 – 71.99	

Any lower grade will be an F.

(2) **Skipping class** could conceivably affect your course grade: here's how. You can have three unexcused absences throughout the semester without penalty. For each unexcused absence beyond three, I will reduce your numeric course grade. For 4-5 unexcused absences, I will reduce the numeric grade by 0.1 (for example, an 85.4 will be reduced to 85.3). For 6-7 unexcused absences, I will reduce the numeric grade by 0.2. For 8-9 unexcused absences, a reduction by 0.3. For larger numbers of unexcused absences, the reduction will be proportionally larger.

STUDENT SUPPORTS

Accessibility Resources and Services: The University of North Carolina at Chapel Hill facilitates the implementation of reasonable accommodations, including resources and services, for students with disabilities, chronic medical conditions, a temporary disability or pregnancy complications resulting in barriers to fully accessing University courses, programs and activities. Accommodations are determined through the Office of Accessibility Resources and Service (ARS) for individuals with documented qualifying disabilities in accordance with applicable state and federal laws. See the ARS Website for contact information (<https://ars.unc.edu>) or email ars@unc.edu.

Counseling and Psychological Services (CAPS): CAPS is strongly committed to addressing the mental health needs of a diverse student body through timely access to consultation and connection to clinically appropriate services, whether for short or long-term needs. Go to their website: <https://caps.unc.edu> to learn more or visit their facilities on the third floor of the Campus Health Services building for a walk-in evaluation.

Title IX Resources: Any student who is impacted by discrimination, harassment, interpersonal (relationship) violence, sexual violence, sexual exploitation, or stalking is encouraged to seek resources on campus or in the community. Reports can be made online to the EOC at <https://eoc.unc.edu/report-an-incident/>. Please contact the University's Title IX Coordinator (Elizabeth Hall, interim – titleixcoordinator@unc.edu), Report and Response Coordinators in the Equal Opportunity and Compliance Office (reportandresponse@unc.edu), Counseling and Psychological Services (confidential), or the Gender Violence Services Coordinators (gvsoc@unc.edu; confidential) to discuss your specific needs. Additional resources are available at safe.unc.edu.

POTENTIAL CHANGES TO SYLLABUS.

I have thought carefully about the rules and schedules included in this syllabus, but it may become necessary and desirable to change these rules and schedules during the semester. I reserve the right to make changes to the syllabus, including assignment due dates and test dates. If necessary, these changes will be announced as early as possible.